



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 585** HLS 25RS 943

Bill Text Version: **REENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

| | | |
|---|----------|--------------------------------|
| Date: May 22, 2025 | 12:16 PM | Author: MCCORMICK |
| Dept./Agy.: Energy and Natural Resources | | |
| Subject: Class V and VI Notification to Affected Parties | | Analyst: Mimi Blanchard |

ENERGYRE NO IMPACT SG EX See NotePage 1 of 1

Requires advance notice to surface and mineral owners prior to permitting or performing carbon dioxide sequestration activities

Current law requires applicants for Class VI carbon dioxide sequestration permits and Class V stratigraphic test well permits to make a good faith effort to notify, via U.S. mail, the last operator of record and any person with the right to drill or produce within the affected area. For Class VI permits, this area is the modeled carbon dioxide plume. For Class V wells, the area is within 500 feet of the proposed well. Notice is currently required after the permit application is filed.

Proposed law prohibits carbon dioxide capture, use or sequestration activity or permitting unless advance written notice is provided by the applicant via certified mail to all surface owners, all mineral interest owners (including lessees, servitude owners, and operators), and the last operator of record within the relevant area. Notice to surface owners may be satisfied by contacting the individuals listed on parish assessor rolls. Proposed law requires the DENR to publish notice of all Class V and Class VI permit applications on its website. Effective August 1, 2025.

| EXPENDITURES | 2025-26 | 2026-27 | 2027-28 | 2028-29 | 2029-30 | 5 -YEAR TOTAL |
|----------------|------------|------------|------------|------------|------------|---------------|
| State Gen. Fd. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Agy. Self-Gen. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Ded./Other | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Federal Funds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Local Funds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Annual Total | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

| REVENUES | 2025-26 | 2026-27 | 2027-28 | 2028-29 | 2029-30 | 5 -YEAR TOTAL |
|----------------|------------|------------|------------|------------|------------|---------------|
| State Gen. Fd. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Agy. Self-Gen. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Ded./Other | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Federal Funds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Local Funds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Annual Total | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure.

The expense of providing certified mail notice to affected surface and mineral interest owners, as required by the bill, will be borne by the permit applicants. While the bill requires the Department of Energy and Natural Resources (DENR) to post notice of Class V and Class VI permit applications on its website, DENR already publishes pending project information online and any additional workload associated with posting permit notices can be absorbed within the department’s existing staff and budget.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

LFO believes that to the extent that the proposed notice requirements affect project timelines, revenues to the state may be delayed, though DENR does not anticipate a delay.

Senate

Dual Referral Rules

House

- ☐ 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
- ☐ 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

- ☐ 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
- ☐ 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}



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